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CSS

20th ANNIVERSARY REPORT

SHOPLIFTING

IN

SUPERMARKETS

DRUG STORES - DISCOUNT STORES

BY

ROGER GRIFFIN CPP

COMMERCIAL SERVICE SYSTEMS INC.

TABLE OF CONTENTS

Age of Shoplifter 14

Apprehension Report Form Used 19

Cases in which 1 - 25 Items were Recovered 10

Cigarettes as Percent of Value of Merchandise Recovered 15

Cigarettes, Comparison of Theft in Eight Companies 17

Concealment, Methods of 16

Conditions for using Data in the Report 2

Day Apprehension Occurred 12

Estimating Shoplifting Losses 4

Estimating Losses, a Formula for Individual Retailers 6

Fluctuations in the Apprehension Rate 3

Items Recovered, Average per Apprehension 8

Juveniles Referred to Police 11

Merchandise Recovered, Categories of 15

Month Apprehension Occurred 12

Potential Losses, per Store per Year 4

Prosecution of Adults 11

Sex of Shoplifter 13

Shoplifters under 30 Years of Age 14

Shoplifting Losses, U.S. Supermarkets 5

Supermarket Shoplifting Data 1971 - 1982 18

Time of Day Apprehension Occurred 13

Value Range of Merchandise Recovered 9

Value of Merchandise Recovered 15

Value of Merchandise Recovered, Average per Apprehension 7

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April 15, 1983

TO: Our friends in the retail industry

Contained in this booklet is our TWENTIETH ANNUAL REPORT on shoplifting in SUPERMARKETS, DRUG STORES AND DISCOUNT STORES.

This report is based on information taken from written reports of apprehensions made by our clients in their stores.

Those computer-tabulated apprehension reports are the source of the information presented here.

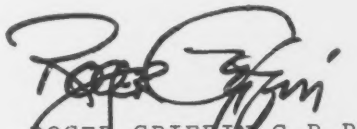
17,653	Reports were received from	762 Supermarkets
4,755	Reports were received from	167 Drug Stores
7,986	Reports were received from	111 Discount Stores
30,394	TOTAL	1040

Eighty-nine percent (89%) of the cases came from stores located in Southern California. Eleven percent (11%) came from stores located in Washington, Oregon, Idaho, Utah, Wyoming, Nevada, Arizona, Colorado and Texas.

This continuing study is designed to be useful to retail executives, the judiciary, the legislature, prosecutorial and law enforcement agencies and to the public at large.

Our purpose is to promote understanding of the shoplifting problem by increasing the limited amount of hard-data available on the subject.

We are happy to share this data and ask only that users comply with the conditions stated on the following page.



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FLUCTUATIONS
IN THE APPREHENSION RATE

The best evidence that shoplifting is not a myth is the information contained in this report about apprehended shoplifters. The number of shoplifters apprehended, however, is less an indication of how much shoplifting takes place than it is an indication of the amount of effort expended on making apprehensions.

Shoplifters, or potential shoplifters are ever present in the retail environment. Therefore, the number of shoplifters apprehended is proportional to the effort to apprehend.

The following table illustrates the above point. Displayed is a comparison of apprehension results in five companies which reported 1700 or more cases during both 1981 and 1982.

COMPANY	1981	1982	CHANGE
A	4,671	6,557	29% INCREASE
B	6,810	4,752	30% DECREASE
C	1,637	2,521	35% INCREASE
D	4,105	2,511	39% DECREASE
E	1,771	2,171	18% INCREASE

The dramatic rates of increase and decrease shown are attributable to internal policy decisions regarding the intensity of the effort to apprehend rather than to external factors or the implementation or removal of other countermeasures.

ESTIMATING SHOPLIFTING LOSSES

The amount of loss to retail business due to shoplifting remains an enigma because several factors contribute to total inventory shrink.

Those factors include shoplifting, employee theft, vendor theft, good faith errors of undercharge at the point of payment, errors in the inventory-accounting procedure, etc.

It is obviously impossible to know with certainty to what extent each factor contributes to the total shrink. We offer the following method of estimating the importance of the shoplifting factor in the equation.

SUPERMARKET

Average Value of Merchandise Recovered per Apprehension	Estimated Number of Incidents per Store per Day	Operating Days per Year	Yearly Loss per Store
$ 10.77	1	363	$ 3,909
10.77	2	363	7,819
10.77	3	363	11,729
10.77	4	363	15,638
10.77	5	363	19,548
10.77	6	363	23,457
10.77	7	363	27,367
10.77	8	363	31,276
10.77	9	363	35,186
10.77	10	363	39,095

DRUG STORE

$ 13.48	1	363	4,893
13.48	2	363	9,786
13.48	3	363	14,680
13.48	4	363	19,573
13.48	5	363	24,466
13.48	6	363	29,359
13.48	7	363	34,253
13.48	8	363	39,146
13.48	9	363	44,039
13.48	10	363	48,932

DISCOUNT STORE

$ 29.00	1	363	10,527
29.00	2	363	21,054
29.00	3	363	31,581
29.00	4	363	42,108
29.00	5	363	52,635
29.00	6	363	63,162
29.00	7	363	73,689
29.00	8	363	84,216
29.00	9	363	94,743
29.00	10	363	105,270

SHOPLIFTING LOSSES

U.S. SUPERMARKETS

In 1982 the average value of the merchandise recovered each time a supermarket shoplifter was apprehended, was $10.77. (Up from $10.06 in 1981.)

The April 1983 issue of Progressive Grocer Magazine reports that there are 37,170 supermarkets and supermarket style stores in the U.S. By applying the following formula, we can arrive at an estimated yearly shoplifting loss in supermarkets.

$ 10.77	X	8	X	363	X	37,170
AVERAGE SHOPLIFTING THEFT		ESTIMATED NO. INCIDENTS PER STORE PER DAY		NUMBER OF OPERATING DAYS PER YR.		NUMBER OF SUPERMARKETS IN U.S.A.

$ 1,162,531,894

ESTIMATED SHOPLIFTING LOSSES

U.S. SUPERMARKETS 1982

ESTIMATING SHOPLIFTING LOSSES
A FORMULA FOR INDIVIDUAL RETAILERS

PLEASE INDICATE THE PERCENTAGE OF TOTAL INVENTORY SHRINK WHICH YOU BELIEVE THE FOLLOWING FACTORS CONTRIBUTE:

1.	SHOPLIFTING.....	_____%
2.	EMPLOYEE THEFT.....	_____
3.	VENDOR THEFT.....	_____
✱ 4.	GOOD FAITH CASHIER UNDERCHARGE..	_____
5.	INVENTORY-ACCOUNTING ERRORS.....	_____
6.	OTHER.....	_____
		100 %

7. MULTIPLY YOUR TOTAL YEARLY INVENTORY SHRINK BY THE PERCENTAGE YOU ATTRIBUTE TO SHOPLIFTING:

$_____ (TOTAL INVENTORY SHRINK IN DOLLARS) X _____ (% ATTRIBUTED TO SHOPLIFTING) = $_____ (ESTIMATED LOSS)

8. FILL IN THE FACTORS WHICH YOU THINK APPLY TO YOUR COMPANY AND MULTIPLY:

$ 10.77 (AVERAGE THEFT) X _____ (NUMBER OF SHOPLIFTERS PER STORE PER DAY) X _____ (NUMBER OF OPERATING DAYS) X _____ (NUMBER OF STORES) =

$_____
ESTIMATED SHOPLIFTING LOSS

9. THE FOLLOWING EXAMPLE PERTAINS TO A 100 STORE COMPANY OPEN 363 DAYS PER YEAR WHICH BELIEVES THAT EACH OF ITS STORES IS VICTIMIZED BY SHOPLIFTERS AN AVERAGE OF 8 TIMES PER DAY:

$ 10.77 (AVERAGE THEFT) X 8 (NUMBER OF SHOPLIFTERS PER STORE PER DAY) X 363 (NUMBER OF OPERATING DAYS) X 100 (NUMBER OF STORES) =

$ 3,127,608.00
ESTIMATED SHOPLIFTING LOSS

10. COMPARE ESTIMATED LOSS IN PARAGRAPH 7 WITH ESTIMATED LOSS IN PARAGRAPH 8.

✱ Studies of good faith cashier overcharge and undercharge errors indicate a net error in favor of the customer.

AVERAGE VALUE OF MERCHANDISE RECOVERED

PER APPREHENSION

ALL CASES

SUPERMARKET	$ 10.77
DRUG STORE	$ 13.48
DISCOUNT STORE	$ 29.00

SEPARATE CATEGORIES

	ADULT MALES	ADULT FEMALES	TOTAL ADULTS	TOTAL JUVENILES	TOTAL MALE JUVENILES	TOTAL FEMALE JUVENILES
SUPER MARKET	$10.56	14.50	12.23	8.22	7.20	9.85
DRUG STORE	15.43	17.09	16.33	9.95	8.18	12.03
DISCOUNT STORE	36.03	34.69	35.29	22.65	19.29	26.37

AVERAGE NUMBER OF ITEMS RECOVERED

PER APPREHENSION

SUPERMARKET	3.1
DRUG STORE	2.9
DISCOUNT STORE	3.2

SEPARATE CATEGORIES

	ADULT MALES	ADULT FEMALES	TOTAL ADULTS	TOTAL JUVENILES	TOTAL MALE JUVENILES	TOTAL FEMALE JUVENILES
SUPER MARKET	2.7	4.0	3.3	2.7	2.2	3.6
DRUG STORE	2.5	3.2	2.9	2.9	2.3	3.6
DISCOUNT STORE	2.6	4.4	3.6	2.9	2.0	3.8

VALUE RANGE

MERCHANDISE RECOVERED

NUMBER OF CASES WITHIN EACH VALUE RANGE

	SUPERMARKET		DRUG STORE		DISCOUNT STORE	
DOLLAR AMOUNT	NUMBER OF CASES	PERCENT	NUMBER OF CASES	PERCENT	NUMBER OF CASES	PERCENT
UNDER 50¢	853	4.8%	288	6.0%	381	4.8%
50¢ to $ 1	964	5.5%	221	4.6%	139	1.7%
$ 1 to $ 5	7052	39.9%	1636	34.4%	1754	22.0%
$ 5 to $10	4124	23.4%	926	19.5%	1624	20.3%
$10 to $25	3215	18.2%	1034	21.7%	2017	25.3%
$25 to $50	957	5.4%	424	8.9%	1127	14.1%
$50 to $75	246	1.4%	109	2.3%	404	5.0%
$75 to $100	106	.6%	39	.8%	177	2.2%
$100 to $150	71	.4%	49	1.0%	150	1.9%
$150 to $200	27	.2%	15	.3%	67	.8%
OVER $200	38	.2%	14	.3%	146	1.8%

NUMBER OF CASES IN WHICH 1 TO 25 ITEMS WERE RECOVERED

	SUPERMARKET		DRUG STORE		DISCOUNT STORE	
NUMBER OF ITEMS	NUMBER OF CASES	PERCENT	NUMBER OF CASES	PERCENT	NUMBER OF CASES	PERCENT
1	7132	40.4%	2292	48.2%	3622	45.4%
2	3887	22.0%	908	19.1%	1430	17.9%
3	2050	11.6%	456	9.6%	794	9.9%
4	1355	7.7%	314	6.6%	544	6.8%
5	850	4.8%	197	4.1%	357	4.5%
6	583	3.3%	134	2.8%	271	3.4%
7	389	2.2%	91	1.9%	200	2.5%
8	316	1.8%	72	1.5%	169	2.1%
9	207	1.2%	63	1.3%	98	1.2%
10	173	1.0%	37	.8%	76	1.0%
11	107	.6%	31	.7%	74	.9%
12	122	.7%	22	.5%	45	.6%
13	80	.5%	25	.5%	45	.6%
14	49	.3%	21	.4%	39	.5%
15	64	.4%	9	.2%	24	.3%
16	50	.3%	12	.3%	22	.3%
17	27	.2%	6	.1%	27	.3%
18	28	.2%	12	.3%	12	.2%
19	25	.1%	4	.1%	16	.2%
20	21	.1%	1	-	14	.2%
21	13	.07%	2	-	12	.2%
22	14	.07%	8	.2%	17	.2%
23	10	.05%	6	.1%	8	.1%
24	7	.03%	3	-	8	.1%
25	7	.03%	0	-	3	.1%
OTHER	84	.5%	29	.6%	59	.7%

SHOPLIFTERS REFERRED TO POLICE

ADULTS PROSECUTED

	TOTAL ADULTS	ADULT MALES	ADULT FEMALES
SUPERMARKET	39.9%	41.4%	37.8%
DRUG STORE	36.9%	38.6%	35.4%
DISCOUNT	51.5%	49.0%	53.6%

JUVENILES REFERRED

	TOTAL JUVENILES	JUVENILE MALES	JUVENILE FEMALES
SUPERMARKET	30.8%	29.9%	32.2%
DRUG STORE	20.7%	17.8%	24.2%
DISCOUNT	42.1%	38.8%	45.7%

WHEN APPREHENSION OCCURRED

MONTH

MONTH	SUPER MARKET	DRUG STORE	DISCOUNT STORE
JAN	7.6%	11.4%	5.6%
FEB	7.1	8.0	7.0
MAR	9.3	9.7	9.5
APR	8.9	10.0	8.4
MAY	9.0	8.8	8.9
JUN	8.7	7.8	8.8
JUL	8.0	5.8	10.1
AUG	8.0	6.8	9.4
SEP	8.5	5.7	9.6
OCT	8.4	5.5	8.9
NOV	7.9	6.8	7.6
DEC	8.1	12.9	5.7

DAY

DAY	SUPER MARKET	DRUG STORE	DISCOUNT STORE
MON	13.2%	13.4%	11.0%
TUE	15.2	13.4	12.5
WED	14.8	13.5	13.3
THUR	15.7	15.5	14.4
FRI	15.2	17.9	16.4
SAT	13.0	14.9	18.7
SUN	12.3	10.8	13.4
NOT INDICATED	.2	.2	.0

WHEN APPREHENSION OCCURRED

TIME OF DAY			
TIME OF DAY	SUPER MARKET	DRUG STORE	DISCOUNT STORE
BEFORE NOON	11.4%	9.3%	8.8%
NOON - 3:00	22.6	27.9	30.2
3:00 - 6:00 PM	32.3	38.2	35.1
6:00 - 9:00 PM	22.8	20.7	23.7
9:00 - MIDNIGHT	7.7	2.4	1.6
AFTER MIDNIGHT	1.3	.1	.0
NOT INDICATED	1.4	1.0	.2

SEX OF SHOPLIFTER

ADULTS			
	ADULTS SUPERMARKETS	ADULTS DRUG STORES	ADULTS DISCOUNT
MALE	57.5%	45.6%	44.8%
FEMALE	42.4	54.3	55.1

JUVENILES			
	JUVENILES SUPERMARKETS	JUVENILES DRUG STORES	JUVENILES DISCOUNT
MALE	61.8%	54.1%	52.5%
FEMALE	38.1	45.8	47.4

AGE OF SHOPLIFTER

AGE GROUP	SUPER MARKET	DRUG STORE	DISCOUNT STORE	SIZE OF AGE GROUP WITHIN THE GENERAL POPULATION *
UNDER 12	6.6%	11.7%	7.8%	17.8%
12 - 17	19.3	25.0	29.0	10.3
18 - 29	38.1	27.1	39.9	21.9
30 - 39	16.3	14.4	13.3	13.9
40 - 49	8.5	8.0	4.8	10.0
50 - 59	5.4	5.2	2.8	10.3
OVER 60	5.4	8.2	2.0	15.7

* 1980 Census

SHOPLIFTERS UNDER 30 YEARS OF AGE

SUPERMARKET	64.0 %
DRUG STORE	63.8 %
DISCOUNT STORE	76.7 %

VALUE OF MERCHANDISE RECOVERED

TOTAL VALUE

CIGARETTES AS PERCENTAGE OF TOTAL

	TOTAL VALUE MERCHANDISE RECOVERED	VALUE OF CIGARETTE MERCHANDISE RECOVERED	CIGARETTE MERCHANDISE AS PERCENTAGE OF TOTAL
SUPERMARKET	$190,192	$19,573	10.3%
DRUG STORE	$ 64,108	$1,481	2.3%
DISCOUNT STORE	$231,618	$ 337	.14%

CATEGORIES OF MERCHANDISE RECOVERED

Indicates the percentages of cases in which one or more items within the indicated categories were recovered.

	SUPER MARKET	DRUG STORE
FRESH MEAT	15.9%	.1%
DELI	9.7	.1
OTHER FOOD ITEM	22.5	7.2
LIQUOR	10.6	3.9
CIGARETTES	11.1	3.2
VITAMINS	1.0	1.7
HEALTH & BEAUTY AIDS	9.8	8.2
CLOTHING	7.7	9.5
OTHER NON FOOD ITEM	34.3	74.8

METHODS OF CONCEALMENT

INDICATES PRIMARY METHOD OF CONCEALMENT REPORTED

	SUPER MARKET	DRUG STORE	DISCOUNT STORE
PURSE	27.9 %	28.4 %	30.7 %
SHOPPING BAG	2.5	3.3	4.2
OTHER BAG	3.5	4.8	2.5
PROFESSIONAL	.4	.2	.3
POCKET	21.5	25.5	21.0
LABEL SWITCHER	1.2	3.4	2.1
ACCOMPLICE	2.9	3.6	4.4
UNDER CLOTHING	31.3	18.6	19.4
OTHER METHOD	7.6	10.7	14.7
NOT INDICATED	.7	1.0	.2

COMPARISON OF THEFT OF CIGARETTES FROM EIGHT COMPANIES REPORTING 777 OR MORE APPREHENSIONS

COMPANY	NUMBER OF CASES	% OF CASES WHERE 1 OR MORE ITEMS OF CIGARETTES WERE RECOVERED	VALUE OF CIGARETTES RECOVERED	TOTAL VALUE OF RECOVERED MERCHANDISE	CIGARETTES AS % OF VALUE OF ALL MDSE RECOVERED
A	4,198	7.7	$ 2,095	$ 40,859	5.1
B	2,727	11.4	4,347	40,342	10.8
C	2,521	14.6	4,660	34,558	13.5
D	2,511	7.2	2,003	20,622	9.7
E	2,171	19.5	1,976	23,268	8.5
F	1,038	17.4	538	6,274	8.6
G	887	6.6	880	7,046	12.5
H	777	8.8	965	9,167	10.5
TOTAL	16,830	11.4%	$ 17,464	$ 182,136	9.6%

SUPERMARKET SHOPLIFTING DATA 1971 - 1982

YEAR AND NUMBER OF CASES	PERCENT OF ADULTS PROSECUTED	PERCENT OF JUVENILES TO POLICE	DAY WHEN MOST SHOPLIFTERS WERE CAUGHT	MONTH WHEN MOST SHOPLIFTERS WERE CAUGHT	TIME PERIOD WHEN MOST SHOPLIFTERS WERE CAUGHT	AGE GROUP MOST OFTEN APPREHENDED	PERCENT OF SHOPLIFTERS UNDER THIRTY YEARS OLD	RATIO OF MALE-FEMALE APPREHENSIONS	PERCENT CONCEALED IN POCKET-PURSE OR UNDER CLOTHING	AVERAGE NUMBER OF ARTICLES RECOVERED	AVERAGE VALUE OF MERCHANDISE RECOVERED
1982 17,653	39.9%	30.8%	THURS	JUL	3-6 P.M.	18-29	64.0%	57.5% M 42.4% F	80.7%	3.1	$10.77
1981 14,285	41.9%	34.1%	TUES	OCT	3-6 P.M.	18-29	64.9%	54.7% M 45.2% F	80.0%	3.2	$10.06
1980 11,484	37.6%	32.1%	MON TUES	OCT	3-6 P.M.	18-29	63.9%	49.0% M 50.9% F	79.3%	3.2	$ 8.69
1979 14,720	34.1%	24.7%	MON TUES	MAR	3-6 P.M.	18-29	62.8%	55.3% M 43.6% F	78.0%	3.1	$ 7.37
1978 17,326	33.0%	21.7%	WED	APR	3-6 P.M.	18-29	70.6%	54.9% M 44.3% F	78.4%	3.2	$ 6.39
1977 16,255	35.3%	24.7%	FRI MON	MAY	3-6 P.M.	18-29	70.2%	52.6% M 47.3% F	80.6%	3.2	$ 5.99
1976 16,100	35.7%	24.9%	THURS	MAR	3-6 P.M.	18-29	71.6%	51.4% M 48.6% F	81.3%	3.2	$ 5.90
1975 18,303	37.3%	24.1%	WED	JAN	3-6 P.M.	18-29	71.2%	54.2% M 45.7% F	81.1%	3.0	$ 4.91
1974 18,165	42.3%	25.8%	FRI	MAR APR	3-6 P.M.	12-17	71.3%	56.5% M 43.5% F	79.2%	3.1	$ 4.97
1973 14,790	42.6%	25.0%	THURS	OCT NOV	3-6 P.M.	12-17	69.5%	51.2% M 48.8% F	79.4%	3.0	$ 4.32
1972 15,542	39.4%	23.6%	FRI	MAR	3-6 P.M.	12-17	66.5%	50.3% M 49.7% F	79.9%	3.0	$ 3.85
1971 13,599	37.1%	22.9%	WED	DEC	3-6 P.M.	12-17	68.2%	57.0% M 42.9% F	78.0%	3.1	$ 4.35

COMMERCIAL SERVICE SYSTEMS INC.

COMMERCIAL SERVICE SYSTEMS, INC. is an investigative company which specializes in retail security systems for the control of losses due to DISHONEST and INEFFICIENT PERSONNEL and SHOPLIFTING. The company was incorporated in 1946. Executive offices are located in Van Nuys, California.

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